

# **EXHIBIT D**

# **DB Structured Products, Inc.**

**Deutsche Bank Correspondent Lending Seller Guide**

## **Volume 1**

**Seller Representations and Warranties**

**March 2007**

**Deutsche Bank** 

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**Volume 1 Seller Representations and Warranties**

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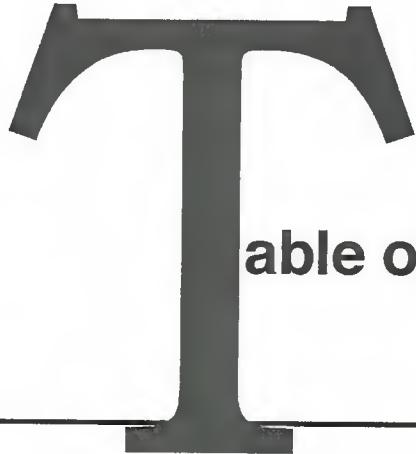
- New Years Day
- Martin Luther King Day
- Presidents Day
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- Columbus Day
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- Thanksgiving Day
- Christmas Day

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11/30/2005	Republication of document
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03/06/2006	Page iii—Operations fax number Page 1-26—Predatory Lending (Montgomery County, MD) Page 1-29—Repurchase Obligation Page 2-14—Remedies for Breach of Any Representation or Warranty
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**Volume 1 Seller Representations and Warranties****Document History**

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# Preface

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DB Structured Products, Inc. provides innovative and profit-oriented residential mortgage products to mortgage bankers and financial institutions throughout the nation.

DB Structured Products, Inc. offers straight forward products and services that take you from "A" paper to non-prime lending.

- One clear-cut rate sheet
- Unique Loan programs
- Flexible credit parameters
- Technology-enabled qualification and delivery
- Minimal learning curve through personalized training
- Guaranteed quick response from our automated underwriting system

DB Structured Products, Inc.'s ultimate parent company, Deutsche Bank AG, provides us with a strong foundation and significant opportunities. By capitalizing on this financial strength, we strive to become the final source for niche loan products.

**Volume 1—Seller Representations and Warranties****Preface: Use of DB Structured Products, Inc. Name and Service Marks****Use of DB Structured Products, Inc. Name and Service Marks**

The Seller is not authorized to use any corporate names (such as "DB Structured Products, Inc.," "Deutsche Bank Correspondent Lending Group," or the initials "DBSP"), trademarks, service marks or program names which belong to Deutsche Bank AG in any of the Seller's promotional or other materials without the prior written consent of DB Structured Products, Inc.

In the event DB Structured Products, Inc. grants such written consent, the Seller agrees to indemnify DB Structured Products, Inc. from, and hold it harmless against, any loss, damage or expense, including those incurred in defending any action or proceeding which results from its use of the corporate name, trademarks, service marks or program names.

**Use of Seller's Name**

DB Structured Products, Inc. reserves the right, at its sole discretion, to make the name of the Seller generally available, to publicly associate the name of the Seller with DB Structured Products, Inc. programs, and to refer business prospects to the Seller.

**Seller's Contractual Obligations**

By signing the Seller Agreement, the Seller is bound by all the terms specified in the *Deutsche Bank Correspondent Lending Seller Guides* including, but not limited to, the Representations and Warranties of Seller and Remedies, and/or any amendment to the Seller Agreement. The *Deutsche Bank Correspondent Lending Seller Guides* and Seller Agreement govern the purchase of Loans under all commitments issued to the Seller by DB Structured Products, Inc.

**How The Guides Are Organized**

The *Deutsche Bank Correspondent Lending Seller Guides* describe policies and procedural requirements for DB Structured Products, Inc. residential and small balance commercial mortgage products. The following five volumes comprise the *Deutsche Bank Correspondent Lending Seller Guides*:

- *Volume 1, Seller Representations and Warranties*
- *Volume 2, DB-ASAP Seller Obligations and Product Guide*
- *Volume 3, DB-ALT Seller Obligations and Product Guide*
- *Volume 4, DB-SBC Seller Obligations and Product Guide*
- *Volume 5, DB-SUB Seller Obligations and Product Guide*

**Volume 1—Seller Representations and Warranties****Preface: How The Guides Are Organized**

As the *Deutsche Bank Correspondent Lending Seller Guides* are incorporated by reference into the Seller Agreement, the Seller is contractually bound to operate in conformity with the requirements in the *Deutsche Bank Correspondent Lending Seller Guides*, as it exists now and as it may be amended and supplemented in the future.

The *Deutsche Bank Correspondent Lending Seller Guides* may be amended or supplemented from time to time by issuance of revised pages, or any other written statements. Each update will be made by means of a written notice to Seller and will constitute an amendment to the *Deutsche Bank Correspondent Lending Seller Guides*. In addition to mailing the written notice to the Seller it will also be posted to the Deutsche Bank Correspondent Lending Group web site <http://clg.db.com>. If a Seller submits mortgage loans to DB Structured Products, Inc. after receiving notice of an amendment, the Seller shall be deemed to have agreed to the amendment. Any amendments or revisions will become effective on the date stated in the written communication.

**Volume 1, Seller Representations and Warranties**

*Seller Representations and Warranties*, the first of five desk reference guides, contains the Seller representations and warranties.

**Volume 2, DB-ASAP® Seller Obligations and Product Guide**

*DB-ASAP Seller Obligations and Product Guide*, the second of five desk reference guides, presents detailed descriptions of:

- Underwriting requirements
- Loan pricing and lock-in procedures
- Commitment and delivery procedures
- Loan purchase requirements and procedures

**Volume 3, DB-ALT Seller Obligations and Product Guide**

*DB-ALT Seller Obligations and Product Guide*, the third of five desk reference guides, presents detailed descriptions of:

- Underwriting requirements
- Loan pricing and lock-in procedures
- Commitment and delivery procedures
- Loan purchase requirements and procedures

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## Volume 1 – Seller Representations and Warranties

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### Preface: How The Guides Are Organized

## Volume 4, DB-SBC Seller Obligations and Product Guide

*DB-SBC Seller Obligations and Product Guide*, the forth of five desk reference guides, presents detailed descriptions of:

- Underwriting requirements
- Small Balance Commercial Loan pricing and lock-in procedures
- Commitment and delivery procedures
- Small Balance Commercial Loan purchase requirements and procedures

## Volume 5, DB-SUB Seller Obligations and Product Guide

*DB-SUB Seller Obligations and Product Guide*, the fifth of five desk reference guides, presents detailed descriptions of:

- Underwriting requirements
- Loan pricing and lock-in procedures
- Commitment and delivery procedures
- Loan purchase requirements and procedures

## Appendices and Glossary

Each volume may also contain one or more of the additional sections described below.

- Appendix A, “Forms & Exhibits”, presents the forms and sample documents.
- Appendix B, “Loan Purchase Review Process”, presents a summary overview of the purchase review process.
- Appendix C, “Programs Summary Reference”, presents in easily referenced tables the different product and program types.
- Terms used in each of volume of the *Deutsche Bank Correspondent Lending Seller Guides* are defined in the related Glossary of each volume.

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# 1

## **Seller Requirements for DB-ASAP, DB-ALT & DB-SUB**

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This chapter defines the Seller requirements for DB Structured Products, Inc. products, and includes:

- Eligibility Standards
- Seller Representations and Warranties
- Seller Defaults and Remedies

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB**

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**Eligibility Standards****Eligibility Standards**

Sellers that meet the requirements in this guide will be considered for approval as a DB Structured Products, Inc. Seller. The following are general requirements:

- Seller is a Fannie Mae, Freddie Mac or HUD approved Seller of single family Loans in good standing;
- Seller's staff must be proficient in originating mortgage loans. Written policies and procedures for mortgage loan origination, secondary marketing and quality control must be in place;
- Seller has satisfactory lines of credit, working capital or other established means to support advances on and repurchases of Loans;
- Seller is in compliance with all capital requirements and any other qualifying factors specified by all regulatory authorities and agencies having jurisdiction over the Seller;
- Seller must maintain a minimum audited net worth of \$400,000 and must have been in operation for the last two (2) years;
- Seller must be licensed by the appropriate regulatory agency or agencies in locations it originates first and second lien mortgage loans for submission to DB Structured Products, Inc.;
- Seller must be in compliance with the Fair Housing Act, the Equal Credit Opportunity Act and all applicable state and federal fair lending laws and regulations;

If Seller has been cited by any regulatory authority for violating any fair lending laws or regulations, Seller must prove to DB Structured Products, Inc.'s satisfaction that corrective action to remedy such violation has been taken;

- Seller must provide DB Structured Products, Inc. adequate references from secondary market investors, banks and mortgage insurers.
- Seller is a member of MERS in good standing if Seller has notified DB Structured Products, Inc. that Seller is a member of MERS.

DB Structured Products, Inc. reserves the right to consider other factors it deems appropriate in the Seller approval process. Compliance with the preceding qualifying factors does not ensure that the applicant will be approved as a DB Structured Products, Inc. Seller.

**Third-Party Originators**

The Seller should establish eligibility and qualification standards for any party involved in the origination, processing, underwriting or closing of the Loan when they are relying on a Third - Party Originator's actions or services. The Seller must consider the functions being performed by such Third-Party

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Fidelity Bond, Errors and Omissions Coverage**

Originator when they establish the standards and degree to which those standards should be monitored and reviewed. The standards should be reviewed periodically to ensure ongoing qualification of the Third-Party Originator. The Seller is responsible for all Loans from the Seller's mortgage broker and/or correspondent lender.

The Seller is advised to include the following when establishing the Third-Party Originator's eligibility and qualification standards and procedures:

- Obtain and review resumes and references of management and loan origination personnel and be notified of any changes of key management;
- Establish a minimum audited net worth and evaluate the financial viability of the company on an ongoing basis;
- Establish a minimum requirement for errors and omissions insurance and fidelity bond coverage and monitor ongoing compliance with the standard;
- Enter into a contractual agreement that establishes specific representations and warranties related to each party's responsibilities in addition to recourse rights in the event of representation and/or warranty violations; and
- Perform periodic reviews of the Loans originated by third parties to evaluate patterns of delinquency or trends.

In its quality control plan the Seller must include a representative, random sample of its third party Loans from both pre-closing to post-closing quality control audits to ensure the quality of the Loans.

**Fidelity Bond, Errors and Omissions Coverage**

The Seller must maintain, at all times and at its own expense, a fidelity bond, and errors and omissions insurance coverage against losses by the Seller of at least \$500,000. These policies must provide coverage against losses resulting from dishonest or fraudulent acts committed by the Seller's employees, any employees of outside firms that provide data processing services for the Seller, and temporary employees.

The fidelity bond should protect DB Structured Products, Inc. against dishonest or fraudulent acts by the Seller's principal owner(s). The Seller must also acquire a surety bond to cover any officers/principals not covered by the fidelity bond.

Each fidelity bond and errors and omissions insurance policy must provide for:

- The addition of DB Structured Products, Inc. as "loss payee";
- The right of DB Structured Products, Inc. to file a claim directly with the insurer if the Seller fails to file a claim for a covered loss incurred by DB Structured Products, Inc.;

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB**

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**Independent Auditor's Opinion**

- Notification to DB Structured Products, Inc. at least 30 days before the insurer cancels, reduces, imposes a restrictive modification or declines to renew the Seller's coverage;
- Notification to DB Structured Products, Inc. within ten (10) days after the insurer receives a request from the Seller to cancel or decrease any coverage.

The Seller must notify DB Structured Products, Inc. of all cases of material theft, embezzlement or fraud and all claims made against the insurer within ten (10) days after the occurrence.

Annually, the Seller must provide DB Structured Products, Inc. with current certificates of insurance evidencing the Seller's fidelity bond and errors and omissions insurance. If the Seller does not provide this evidence or if coverage does not meet the requirements of this guide, an Event of Seller Default will have occurred.

**Independent Auditor's Opinion**

The Seller's most recent annual financial statements must include an unqualified opinion from an independent auditor.

**Annual & Continuing Seller Obligations**

To remain an eligible Seller, the Seller must comply with the eligibility standards currently in effect and its continuing obligations as defined in the *Deutsche Bank Correspondent Lending Seller Guides*.

DB Structured Products, Inc. has sole and absolute right to amend any or all continuing eligibility standards for a Seller based upon the current financial strength, volume and performance of the Seller.

**Financial Statements**

Within 90 days after the end of Seller's fiscal year, the Seller must provide the following:

- A certification executed by a senior officer of the Seller certifying compliance with the current DB Structured Products, Inc. Seller eligibility standards of the Seller Agreement and the *Deutsche Bank Correspondent Lending Seller Guides*;
- Current annual financial statement issued by an independent auditor including an auditor's opinion on the Seller's internal accounting controls.

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**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Audits and Inspections**

If requested by DB Structured Products, Inc., the Seller must provide its quarterly unaudited financial statements within 30 days after the end of each quarter.

**Audits and Inspections**

The Seller agrees to allow DB Structured Products, Inc. to conduct an audit or inspection at any office of the Seller during regular business hours. During such audits or inspections, the Seller will make available to DB Structured Products, Inc. the aid of a knowledgeable and responsible individual and will grant DB Structured Products, Inc. access to all books, records and files pertaining to:

- The Loans sold to DB Structured Products, Inc.; and
- The Seller's compliance with the terms and provisions of the Seller Agreement and *Deutsche Bank Correspondent Lending Seller Guides*.

**Quality Control**

The Seller must have a quality control program to ensure the accuracy of origination documents and subjectivity of underwriting decisions from both a sound judgment and program compliance standpoint. The program must assess the overall quality of Loan production on an ongoing basis and must be in writing stating the objectives, scope, policies and procedures of the examination. The program must comply with requirements set by Fannie Mae, Freddie Mac or HUD.

**Individual Loan Audit**

The Seller must perform a Loan audit on any Loan upon the written request of DB Structured Products, Inc. The Seller must determine if the Loan was prudently originated and if an Event of Seller Default has occurred. The Seller must deliver the results of the Loan audit to DB Structured Products, Inc. within a time frame requested by DB Structured Products, Inc. The results of the Loan audit should be sent to:

Attn: Securitized Products Group—Correspondent Lending  
DB Structured Products, Inc.  
6000 Broken Sound Parkway, Suite 104  
Boca Raton, Florida 33487

Any audit on a Loan for which foreclosure proceedings have been instituted shall be completed in a thorough and timely manner. However, if the investigation concludes that an Event of Seller Default has occurred, the Seller will be requested to repurchase the Loan, the property, or reimburse DB Structured Products, Inc. for its loss, depending on the stage of the foreclosure.

**Chapter 1 – Seller Requirements for DB-ASAP, DB-ALT & DB-SUB**

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**Disclosure of Information****Disclosure of Information**

The Seller agrees to disclose to DB Structured Products, Inc. any insurer or third party information that may be pertinent to the performance of the Seller pursuant to the Seller Agreement. The Seller also consents to the disclosure by DB Structured Products, Inc. of any information held by DB Structured Products, Inc. concerning the Seller to such insurers or third parties and their employees. The Seller releases and agrees to hold harmless DB Structured Products, Inc., and any insurer or third party which discloses information as provided above, from and against all claims or liabilities arising in connection with such disclosure.

**Disclosure of Borrower Information**

DB Structured Products, Inc. has the right to use Borrower and Loan information in connection with its secondary marketing operations, credit scoring, and the servicing of Loans.

As required by applicable law, DB Structured Products, Inc. will hold in confidence any Loan information, including, but not limited to, any Borrower Information. Borrower Information received by DB Structured Products, Inc. will not be disclosed to a third party, unless disclosure is permitted or required by law. The loan servicer servicing the Loans on behalf of DB Structured Products, Inc. will report Borrower Information to the credit repositories.

**Credit Reporting**

Seller understands and agrees that DB Structured Products, Inc. may report information about any application for a Loan that DB Structured Products, Inc. believes to contain misrepresentations and/or irregularities to the applicable regulatory agency and to any mortgage industry background database, including, but not limited to, databases operated by Mortgage Asset Research Institute, Inc., such as the Mortgage Industry Data Exchange ("MIDEX"). Seller agrees that it and its employees may be named as the originating entity or Loan officer(s) on any such Loan. Seller acknowledges the importance of DB Structured Products, Inc.'s right and necessity to disclose such information. Seller, for itself and its directors, officers and employees, and their respective successors and/or assigns hereby releases DB Structured Products, Inc., its Affiliates and ultimate parent corporation, and their respective directors, officers, agents, and employees, successors and/or assigns and Mortgage Asset Research Institute, Inc., from any and all damage, loss, liability, cost, actions, causes of action, claims, demands or expense both direct and indirect (including without limitation reasonable legal and accounting fees and expenses actually incurred) that may arise from the reporting or use by any database subscriber of any information submitted by DB Structured Products, Inc. with respect to Seller and its employees to any mortgage industry background database, including MIDEX.

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Chapter 1 -- Seller Requirements for DB-ASAP, DB-ALT & DB-SUB

Confidentiality

## Confidentiality

“Confidential Information” means all confidential or proprietary information of either Seller or DB Structured Products, Inc., including but not limited to (i) information regarding the Purchase Price for the Loans; (ii) such information in the possession of DB Structured Products, Inc. as to Seller’s financial condition or underwriting guidelines; (iii) such information in the possession of Seller with respect to DB Structured Products, Inc.’s Loan programs, underwriting policies and guidelines, credit criteria, and business practices; and (iv) all information relating to the Loans offered for purchase or purchased under the Seller Agreement, including all Borrower Information. “Confidential Information” shall not include any information that: (i) enters the public domain through no fault of the receiving party; (ii) is known by the receiving party at the time it is disclosed by the disclosing party, as shown by the receiving party’s records; (iii) with the exception of Borrower information, is independently developed by the receiving party at any time, as shown by the receiving party’s records; or (iv) is rightfully obtained by the receiving party from an independent third party who does not have an obligation of confidentiality to the disclosing party.

“Borrower Information” means all information provided by any Borrower and all information related to any Borrower, regardless of whether either party’s relationship with the Borrower ceases, including any non-public personal information as defined by federal law, including, but not limited to, the Gramm-Leach-Bliley Act, as it may be amended, any regulations promulgated thereunder, and any other Borrower or customer information protected by applicable state law.

All Confidential Information shall be held in the strictest confidence and will not be disclosed by the receiving party or its directors, officers, employees, affiliates, agents, advisors or representatives (collectively, the “Representatives”), except as specifically permitted by the *Deutsche Bank Correspondent Lending Seller Guides* or the Seller Agreement. The receiving party and its Representatives will not disclose or communicate the Confidential Information in any manner whatsoever, directly or indirectly, to any third party without the prior written consent of the disclosing party, unless disclosure is permitted under this Section or required by court order, subpoena, government requirements, or similar process. Seller and DB Structured Products, Inc. further agree that the Confidential Information will be disclosed only to such of its Representatives who need to examine the Confidential Information for the purposes described above.

Seller and DB Structured Products, Inc. shall take all appropriate precautions to keep confidential the Confidential Information and to assure observation of this requirement by their Representatives. The Confidential Information shall remain the exclusive property of the disclosing party, except that all Confidential Information relating to any Loan purchased under the Seller Agreement and the *Deutsche Bank Correspondent Lending Seller Guides* shall be the exclusive property of DB Structured Products, Inc. Seller shall maintain such copies of the Borrower Information as is required by law.

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**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB**

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**Seller Representations and Warranties****Seller Representations and Warranties**

The Seller accepts that DB Structured Products, Inc. purchases Loans in reliance upon the accuracy and truth of the Seller's representations and warranties and upon the Seller's adherence with the terms and conditions in the Seller Agreement and *Deutsche Bank Correspondent Lending Seller Guides*. All representations and warranties are complete and the Seller is fully liable for any misstatement or breach of warranty regardless of whether the Seller or DB Structured Products, Inc. actually had, or reasonably could have been expected to obtain, knowledge of the facts giving rise to such misstatement or breach of warranty.

The Seller represents and warrants to DB Structured Products, Inc. that the statements contained in the *Deutsche Bank Correspondent Lending Seller Guides* are true. Making these representations and warranties does not release the Seller from its obligations under other sections of the *Deutsche Bank Correspondent Lending Seller Guides*.

As of the Purchase Date and the date of transfer and conveyance of any Loan to DB Structured Products, Inc., Seller represents and warrants to DB Structured Products, Inc. as follows:

**Due Organization and Good Standing**

Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and is qualified to do business in those states in which such qualification is required.

**Ordinary Course of Business**

All corporate or other actions required to be taken by or on behalf of Seller to authorize its execution of the Seller Agreement and the performance of its obligations hereunder have been fully and properly taken. The execution and consummation of the Seller Agreement and the sale of Loans contemplated hereunder are in the ordinary course of Seller's business and do not and will not: (i) violate any corporate charter or articles or organizational document; corporate bylaw; contract, indenture, agreement, covenant or understanding by which Seller is bound or to which it is a party; or applicable law or regulation or any judgment, order or decree of any court or governmental authority; or (ii) require the consent of any governmental authority or other person (unless such consent has been obtained); or (iii) hinder, delay or defraud any of Seller's creditors; or (iv) render Seller insolvent.

**No Conflicts**

The execution of the Seller Agreement and the consummation of the transactions contemplated hereby will not subject DB Structured Products, Inc. to any liability, duty or obligation arising from any acts, whether of omission or commission, of Seller, or of any of Seller's officers, directors,

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Seller Representations and Warranties**

partners, agents or employees, taking place on or prior to the date hereof, except the duties and obligations of Seller to Borrowers under the terms of the Loan and the laws applicable thereto.

**Financial Statements**

The assets, liabilities and net worth of Seller are fairly presented in the Financial Statements as of the date previously delivered by Seller to DB Structured Products, Inc., and there has been no material adverse change therein as of the effective date of this representation. As of the date hereof, Seller has filed all tax returns required to be filed, or has requested and been granted extensions thereof, and all taxes due and payable to the date thereof are fully paid or properly and sufficiently accrued in said statements.

**Liabilities**

Seller has no liability or obligation of any nature, secured or unsecured, whether accrued, absolute, contingent or otherwise, which will have a material adverse effect on the Loans or the performance of Seller's obligations under the Seller Agreement and the *Deutsche Bank Correspondent Lending Seller Guides*.

**No Litigation Pending**

Seller is in compliance with all applicable laws and regulations. There are no actions, suits or proceedings at law, in equity or otherwise, pending or, to the knowledge of Seller, threatened, against Seller in any court or before any federal, state or local administrative or regulatory agency or instrumentality or before any arbitrator or panel of arbitrators the adverse outcome of which would have an adverse effect on Seller's title to any Loan which may be sold or purchased hereunder or would have a material adverse effect on Seller's financial condition, assets, business or the performance of its obligations under the Seller Agreement and the *Deutsche Bank Correspondent Lending Seller Guides* or which questions the validity of the Seller Agreement or of any action taken or to be taken pursuant thereto.

**No Insolvency, Fair Consideration**

Seller is not insolvent, the sale of any Loan will not cause Seller to become insolvent and Seller is not aware of any pending insolvency. The consideration received by Seller upon the sale of any Loan under the Seller Agreement and the *Deutsche Bank Correspondent Lending Seller Guides* constitutes fair consideration and reasonably equivalent value for the Loan.

**Compliance with Law**

The Seller has obtained all licenses and effected all registrations required under local, state and federal laws, regulations and orders by virtue of any of the activities conducted, or property owned, by the Seller.

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**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB**

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**Seller Representations and Warranties**

The sale and transfer of each Loan to DB Structured Products, Inc. does not violate any appropriate state laws. The Seller must notify DB Structured Products, Inc. in writing of any restrictions by state law on the transfer of any Loan and any related state licensing or registration requirements.

**Execution of Documents**

All agreements, contracts, assignments, endorsements, checks, drafts, reports, Loan documents or other documents associated with a Loan have been properly executed by an officer of the Seller, pursuant to a duly adopted Resolution of Board of Directors, as required by the *Deutsche Bank Correspondent Lending Seller Guides*.

**No Judgments Against DB Structured Products, Inc.**

The Seller has no judgment, court order, claim, counterclaim, defense, right of set-off, or equivalent right against DB Structured Products, Inc.

**Seller Agreement Warranties**

The representations and warranties made by Seller at the time of the execution of the Seller Agreement remain true, correct and complete.

**Loan Origination**

The Seller is an approved Seller/servicer for Fannie Mae or Freddie Mac in good standing or a mortgagee approved by the United States Department of Housing and Urban Development pursuant to Section 203 and 211 of the National Housing Act or a savings and loan association, a savings bank, a commercial bank or similar institution which is supervised and examined by a federal or state authority.

**Proof of Compliance**

Upon request, the Seller must furnish evidence acceptable to DB Structured Products, Inc. of its compliance with all representations and warranties contained in the *Deutsche Bank Correspondent Lending Seller Guides* and due diligence to ensure such compliance.

**Seller Agreement**

When duly executed and delivered by Seller, the Seller Agreement will constitute a legal, valid and binding obligation of the Seller enforceable against Seller in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws relating to or affecting the rights of creditors generally, and by general equity principles.

**Chapter 1 — Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Representations and Warranties Regarding Loans****MERS**

If Seller has notified DB Structured Products, Inc. that Seller is a member of MERS, Seller is a member of MERS in good standing, and will comply in all material respects with the rules and procedures of MERS in connection with the servicing of the MERS Loans for as long as such Loans are registered with MERS.

**Representations and Warranties Regarding Loans**

The representations and warranties pertaining to each Loan purchased by DB Structured Products, Inc. survive the Purchase Date with respect to the Loan, and any termination of the Seller Agreement, and are not affected by any investigation made by or on behalf of DB Structured Products, Inc. As of the Purchase Date and the date of transfer and conveyance of any Loan to DB Structured Products, Inc., Seller represents and warrants to DB Structured Products, Inc. as follows:

**Loan Provisions**

The Seller guarantees that terms of each Loan delivered to DB Structured Products, Inc. have not been impaired, waived, altered, or modified in any respect, unless approved in writing by DB Structured Products, Inc.

**Loan Documents**

The Seller guarantees that all Loan documents have been completed, properly executed, and delivered in accordance with the *Deutsche Bank Correspondent Lending Seller Guides*. All originals and copies of such documents and all other documents, materials, and other information required to be submitted to DB Structured Products, Inc. are complete and accurate. All Loan documents and all other documents describing or otherwise relating to the Loans are in compliance with all applicable local, state and federal laws and regulations.

**Ownership Transfer**

The Seller has good title to and is the sole owner of each Loan sold to DB Structured Products, Inc.

Seller has provided certified copies of the intervening assignment, if any, of the Seller's beneficial interest in the Security Instrument, showing a complete chain of title from origination to the Seller, including warehouse assignment, with evidence of recording thereon or a release of any intervening assignee's interest, if any, in the event that such assignment was not recorded.

The Seller has not transferred, sold or assigned any right or interest in any Loan, and no other party has any option or right of first refusal or other arrangement to acquire, directly or indirectly, the Loan.

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB**

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**Representations and Warranties Regarding Loans**

The Seller's valid assignment transfers such Loan to DB Structured Products, Inc. free and clear of any pledge, lien, or security interest or other encumbrance.

**No Default**

There is no default, breach, violation or event of acceleration existing under any Note or Security Instrument purchased by DB Structured Products, Inc. and no event which, with the passage of time or with notice and the expiration of any grace or cure period would constitute a default, breach, violation or event of acceleration, and Seller has not waived any such default, breach, violation or event of acceleration.

**No Defenses**

The Loan is genuine in every respect and the Borrower was competent at the time of execution of the Loan and any instruments related thereto.

The Borrower has no right of set-off, defense, counterclaim or right of rescission as to any Loan document, except for a buydown or subsidy agreement, if any, as set forth in the *Deutsche Bank Correspondent Lending Seller Guides* nor will the operation of any of the terms of the Note or the Security Instrument, or the exercise of any rights thereunder, render either the Note or the Security Instrument unenforceable, in whole or in part or subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury and no such right of rescission, set-off, counterclaim or defense has been asserted with respect thereto.

None of the Borrowers, endorsers, sureties or guarantors obligated on the Loan is the subject of any proceeding in bankruptcy, or is currently involved in litigation with Seller. None of the Borrowers, endorsers, sureties or guarantors obligated on the Loan is deceased.

**Compliance with Law**

Each action taken by Seller with respect to the Loan and each Note, Loan application, agreement, form, letter, notice, statement, or other material used by Seller in connection with the origination, servicing and sale of each such Loan, complies in all respects with all applicable laws and regulations, including without limitation: the Consumer Credit Protection Act and Regulation Z under Title 1 thereof; laws respecting obtaining and/or using credit reports and other information concerning individuals (including, without limitation, the Fair Credit Reporting Act); the Equal Credit Opportunity Act and Regulation B thereunder; laws relating to unfair, deceptive, or unconscionable acts and practices; laws governing the sale of insurance (including, without limitation, credit life insurance); federal laws and regulations relating to such Loan (including, without limitation, the Real Estate Settlement Procedures Act of 1974, as amended and Regulation X); the Flood Disaster Protection Act; usury laws; and all other applicable federal, state and local statutes,

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Representations and Warranties Regarding Loans**

regulations, ordinances, and administrative rulings applicable to mortgage lending, consumer protection, telephone solicitation and telemarketing.

Each Loan secured by a Subject Property located within the “Pilot Program Area” in Cook County in the State of Illinois was originated in compliance with Illinois Public Act 94-280 (Illinois H.B. 4050), known as the Predatory Lending Database Pilot Program Act (765 ILCS 77/70). The term “Pilot Program Area” refers to the following zip codes: 60620, 60621, 60623, 60628, 60629, 60632, 60636, 60638, 60643, and 60652. Every such Loan, regardless of the originator, recorded on or after September 1, 2006 and closed on or before January 19, 2007, was validly recorded with the Cook County Recorder of Deeds along with either a Certificate of compliance or Exempt Certificate issued by the Illinois Department of Financial and Professional Regulation as a cover sheet. No material changes were made to any such Loan from the time that the Loan file was submitted to the Illinois Department of Financial and Professional Regulations for a Certificate of Compliance or Exempt Certificate until the date of settlement.

No Loans secured by a Subject Property in the state of Ohio closed on or after January 1, 2007 were originated pursuant to a no income/no asset documentation program or any other program pursuant to which the Borrower was not required to disclose income. All other Loans secured by a Subject Property in the state of Ohio closed on or after January 1, 2007, were originated in compliance with the Ohio Consumer Sales Practices Act (Oh. Rev. Stat. 1345.01 et seq.) and the regulations promulgated thereunder and were made only after reasonable methods (as determined in DBSP's sole discretion) were used to determine the borrower's repayment ability, including without limitation, employment verification for stated income loans, which have been properly documented and verified.

The transfer of any Loan to DB Structured Products, Inc. or any act provided for in the *Deutsche Bank Correspondent Lending Seller Guides* will not involve the violation of any law, regulation or order. This warranty is made by the Seller with respect to each Loan application taken and each Loan made by the Seller or any third party. The Seller further warrants that, to the best of its knowledge, the funds utilized by the Borrower in the purchase of the Subject Property and the related Loan were not obtained through trafficking of illegal substances or through any illegal activity.

### **Casualty Insurance**

The Subject Property has a hazard insurance policy in full force against loss by fire and other hazards as required by the *Deutsche Bank Correspondent Lending Seller Guides*, including flood insurance if required under the National Flood Insurance Act of 1968 as amended.

The policy contains a mortgagee clause insuring the Seller, its successors and assigns. The Security Instrument obligates the Borrower to maintain such insurance at the Borrower's expense, and failure to do so authorizes the security instrument holder to acquire and maintain such insurance at the Borrower's expense and seek restitution from the Borrower.

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB**

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**Representations and Warranties Regarding Loans**

The Seller will take all necessary action to ensure that all insurance carriers are notified of the Loan and servicing sale prior to the date of transfer.

**Underwriting**

The Loan has been prudently originated and underwritten by the Seller in compliance with all requirements of the *Deutsche Bank Correspondent Lending Seller Guides*.

**Title Insurance**

The Loan is covered by an ALTA lender's title insurance policy (which, in the case of an adjustable rate Loan has an adjustable rate mortgage endorsement in the form of ALTA 6.0 or 6.1), issued by a title insurer acceptable to DB Structured Products, Inc., Fannie Mae and Freddie Mac, and qualified to do business in the jurisdiction where the Subject Property is located, insuring (subject to the exceptions contained in the *Deutsche Bank Correspondent Lending Seller Guides*) the Seller, its successors and assigns as to the first priority lien of the mortgage in at least the original principal amount of the Loan (including if the Loan is a PayOption ARM Loan which provides for Negative Amortization, the maximum amount of Negative Amortization in accordance with the Mortgage Note) and, with respect to any adjustable rate Loan, against any loss by reason of the invalidity or unenforceability of the lien resulting from the provisions of the Security Instrument providing for adjustment in the Mortgage Interest Rate. Monthly Payment and, with respect to a PayOption ARM Loan which provides for Negative Amortization, the Negative Amortization provisions of the Mortgage Note. Notwithstanding the foregoing, with respect to PayOption ARM Loans, the applicable title insurance policy reflects (i) 115% of the Loan amount on any PayOption ARM Loan other than any PayOption ARM Loan secured by Mortgaged Property located in the State of New York or (ii) 110% of the Loan Amount on any PayOption ARM Loan secured by Mortgaged Property located in the State of New York. Additionally, such lender's title insurance policy affirmatively insures ingress and egress to and from the Subject Property, and against encroachments by or upon the Subject Property or any interest therein. The Seller is the sole insured of such lender's title insurance policy, and such lender's title insurance policy is in full force and effect and will be in full force and effect on the Purchase Date and the date of transfer and conveyance of the Loan to DB Structured Products, Inc. No claims have been made under such lender's title insurance policy, and no prior holder of the related Security Instrument, including the Seller, has done, by act or omission, anything which would impair the coverage of such lender's title insurance policy. The scope or time period of such policy shall not be limited in any manner. In addition, the policy must comply with the requirements of this *Deutsche Bank Correspondent Lending Seller Guides*.

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Representations and Warranties Regarding Loans****Liens**

Security Instruments transferred to DB Structured Products, Inc. constitute a valid first or second lien on the Subject Property. Each Security Instrument and all related documents that are required to be recorded or filed under applicable law in order to preserve in favor of DB Structured Products, Inc. the validity and enforceability of the security instrument and the liens created thereby, have been duly recorded in all appropriate recording offices and all associated recording fees or taxes have been paid.

There are no delinquent taxes or delinquent assessment liens against the Subject Property. There are no mechanic's or any other liens affecting the Subject Property, which are superior to or equal with, the lien of the security instrument assigned to DB Structured Products, Inc., except those liens that are insured by the policy of title insurance.

**Survey**

All improvements to the Subject Property lie entirely within the boundaries and the building restriction lines of the Subject Property. The policy of title insurance insures DB Structured Products, Inc. and its successors and assigns against loss or damage by reason of any violation, variation, encroachment or adverse circumstance that either is disclosed or would have been disclosed by an accurate survey.

No improvements by adjoining properties encroach upon the Subject Property as to affect the value or marketability of the property.

**No Adverse Circumstances**

The Subject Property is free of damage and waste, and is in good repair. No notice of condemnation has been given, and no circumstances exist involving the Loan documents, the Subject Property or the Borrower's credit standing that could: (a) cause investors to regard the Loan as an unacceptable investment; (b) cause the Loan to become delinquent; or (c) adversely affect the value or marketability of the Subject Property or the Loan.

The Seller warrants that it has no knowledge of the presence of, or no reasonable grounds to suspect the presence of, any toxic materials or other environmental hazards that could affect the Subject Property. The Seller warrants compliance with local, state or federal law or regulations designed to protect the health and safety of the occupants of the Subject Property and all inspections, licenses and certificates required in connection with the origination of any Loan with respect to the occupancy of the Subject Property have been made or obtained from the appropriate authorities.

The Subject Property is in compliance with applicable zoning regulations. There is no proceeding pending, or to the Seller's knowledge, threatened for the total or partial condemnation of the Subject Property.

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Representations and Warranties Regarding Loans****Appraisal Representations and Warranties**

The appraisal and appraiser meet the qualifications as required by this *Deutsche Bank Correspondent Lending Seller Guides*. The appraiser (i) is not in an “affiliated business arrangement” with Seller (as that phrase is defined under Regulation X promulgated pursuant to the Real Estate Settlement Procedures Act of 1974, as amended); and (ii) was under no compulsion to find any certain value of said real estate.

The market value of the Subject Property, at the time of purchase of the related Loan by DB Structured Products, Inc., is at least equal to the appraised value stated on the Loan appraisal.

The appraisal of the Subject Property, (a) with respect to First Lien Loans, was on appraisal form 1004 or form 2055 with an interior inspection, or (b) with respect to Second Lien Loans, was on appraisal form 704, 2065 or 2055 with an exterior only inspection, and (c) with respect to (a) or (b) above. The appraisal of the Subject Property was made and signed by a qualified appraiser who met the minimum qualifications of FNMA and FHLMC. The appraisal of the Subject Property was prepared and signed before Loan purchase. The appraiser had no interest, direct or indirect, in the Subject Property, and the appraiser’s compensation (or future earnings) is not affected by the approval or disapproval of the Loan.

It has examined the appraisal report and has concluded the Subject Property is satisfactory collateral for the Loan in accordance with this *Deutsche Bank Correspondent Lending Seller Guides*.

The report adheres to the appropriate appraisal requirements in the *Deutsche Bank Correspondent Lending Seller Guides* and is on the forms required by the *Deutsche Bank Correspondent Lending Seller Guides* appropriate for the property being appraised.

The report is of professional quality and supports all of the appraiser’s assumptions, data, analysis, rationale and conclusions that were relied on in estimating the value and marketability of the Subject Property.

The report is accurate, internally consistent, written in understandable language, and sufficiently documented.

All information known to the Seller that may affect the value or marketability has been given to the appraiser with the appraisal request.

The appraisal of the Subject Property complies with the Financial Institutions Reform Recovery and Enforcement Act of 1989 as applicable.

**Enforceability**

Each Note and Security Instrument is a legal, valid and binding contract with the Borrower enforceable in accordance with its terms except as limited by creditors’ rights laws.

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Representations and Warranties Regarding Loans**

The Loan is a good, valid, and subsisting obligation of the Borrower thereon; the Borrower is the true and only obligor thereon, is the real party in interest thereon and is not representative of any other person, group or organization in connection with the Loan. No error, omission, misrepresentation, negligence, fraud or similar occurrence with respect to a Loan has taken place on the part of any person, including without limitation the Borrower, any appraiser, any builder or developer, or any other party involved in the origination of the Loan.

All persons who have or will have an ownership, homestead or dower interest in the Subject Property have signed the Security Instrument relating to such premises if said signature is permitted.

Each Security Instrument contains customary and enforceable provisions which render the rights and remedies of the holder adequate to realize the benefits of the security against the Subject Property, including:

- in the case of a Security Instrument designated as a deed of trust, by trustee's sale;
- by summary foreclosure, if available under applicable law; and
- otherwise by foreclosure, and there are no homestead or other exemptions or dower, courtesy or other rights or interests available to the Borrower or the Borrower's spouse, survivors or estate or any other person or entity that would, or could, interfere with such right to sell at a trustee's sale or right to foreclosure.

For each Security Instrument that is a deed of trust, a trustee duly qualified under law to administer as such is properly named, designated and serving.

Apart from a trustee's sale after default by the Borrower, no fees or expenses are owed by the Seller or DB Structured Products, Inc. to the trustee under any Security Instrument that is a deed of trust.

The Security Instrument has not been released, rescinded, satisfied or subordinated, in whole or in part.

### **Leaseholds**

If allowed in the Loan program guidelines, all leasehold estates comply with the appropriate leasehold warranties set forth in the *Deutsche Bank Correspondent Lending Seller Guides*.

With respect to each Loan that is secured in whole or in part by the interest of the Borrower as a lessee under a ground lease of the related Subject Property (a "Ground Lease") and not by a fee interest in such Subject Property:

- a. The Borrower is the owner of a valid and subsisting interest as tenant under the Ground Lease;
- b. The Ground Lease is in full force and effect, unmodified and not supplemented by any writing or otherwise;
- c. The Borrower is not in default under any of the terms thereof and there are no circumstances which, with the passage of time or the

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Representations and Warranties Regarding Loans**

giving of notice or both, would constitute an event of default thereunder;

- d. The lessor under the Ground Lease is not in default under any of the terms or provisions thereof on the part of the lessor to be observed or performed;
- e. The Ground Lease or a memorandum thereof has been recorded and by its terms permits the leasehold estate to be mortgaged;
- f. The Ground Lease does not contain any default provisions that could give rise to forfeiture or termination of the Ground Lease except for the non-payment of the Ground Lease rents;
- g. The execution, delivery and performance of the Security Instrument do not require the consent (other than those consents which have been obtained and are in full force and effect) under, and will not contravene any provision of or cause a default under, the Ground Lease;
- h. The Ground Lease provides that the leasehold can be transferred, mortgaged and sublet an unlimited number of times either without restriction or on payment of a reasonable fee and delivery of reasonable documentation to the lessor; and
- i. The term of the Ground Lease exceeds the maturity of the related Loan by at least (10) years.

**Condominiums & Planned Unit Developments (PUDs)**

Each Subject Property that is a unit in a condominium or PUD project complies with the applicable condominium or PUD warranties set forth in the *Deutsche Bank Correspondent Lending Seller Guides*.

**Homeowners' Associations**

Any current or future lien held by the homeowners' association, special district or similar organization contains a provision in which the lienholder has agreed in writing to give a least 60 days' written notice to the servicer of the Loan before foreclosing on such lien.

**Compliance by Others**

When a person or entity: a) originates a Loan on behalf of a Seller; or b) renders any act for a Seller which the Seller is required to render under the *Deutsche Bank Correspondent Lending Seller Guides*, the Seller warrants that such person or entity has conformed to all requirements of the *Deutsche Bank Correspondent Lending Seller Guides* with regard to each and every Loan and act.

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Representations and Warranties Regarding Loans****Authorized Prior Holders**

All parties which have had any interest in the Security Instrument, whether as mortgagee, assignee, pledgee or otherwise, are (a) in compliance with any and all appropriate licensing conditions of law in the state where the Subject Property is located; and (b) organized under the laws of such state, or qualified to do business in such state, or doing business in such state as a qualified foreign corporation in order to use the courts to enforce the Security Instruments.

**No Impairment of Insurance**

No action, error, omission, misrepresentation, negligence, fraud or similar occurrence with respect to a Loan has taken place on the part of any person, the Borrower, appraiser, builder or developer or any party involved in the origination of the Loan or in the application for any insurance in relation to such Loan that might result in a denial, contesting, failure or impairment of full and timely coverage under any insurance policies or any pool insurance policy required for such Loan.

**Temporary Buydowns**

Temporary buydown Loans (if allowed by the appropriate Loan program) were entered into according to a buydown agreement, which meets DB Structured Products, Inc.'s standards.

With respect to each Buydown Loan:

- (i) On or before the date of origination of such Loan, the Seller and the Borrower, or the Seller, the Borrower and the seller of the Subject Property or a third party entered into a Buydown Agreement. The Buydown Agreement provides that the seller of the Subject Property (or third party) shall deliver to the Seller Buydown Funds in an amount equal to the aggregate undiscounted amount of payments that, when added to the amount the Borrower on such Loan is obligated to pay on each Due Date in accordance with the terms of the Buydown Agreement, is equal to the full scheduled Monthly Payment due on such Loan;
- (ii) The Security Instrument and the Note reflect the permanent payment terms rather than the payment terms of the Buydown Agreement. The Buydown Agreement provides for the payment by the Borrower of the full amount of the Monthly Payment on any Due Date that the Buydown Funds are not available. The Buydown Funds were not used to reduce the original principal balance of the Loan or to increase the appraised value of the Subject Property when calculating the loan-to-value ratio and, if the Buydown Funds were provided by the Seller and if required under Fannie Mae and Freddie Mac guidelines, the terms of the Buydown Agreement were disclosed to the appraiser of the Subject Property;

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB**

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**Representations and Warranties Regarding Loans**

- (iii) The Buydown Funds may not be refunded to the Borrower unless the Borrower makes a principal payment for the outstanding balance of the related Loan; and
- (iv) As of the date of origination of the Loan, the provisions of the related Buydown Agreement complied with the requirements of Fannie Mae and Freddie Mac regarding buydown agreements.

**Holder-In-Due-Course**

The Seller is the owner and holder-in-due-course of each Note and is named as mortgagee/beneficiary or assignee under each Security Instrument, and all Loan documents requiring execution have been appropriately executed and witnessed or, as appropriate, notarized by the persons whose names appear as signatories and witnesses, or, as appropriate, notaries and constitute the valid and binding legal obligation of the Borrower, enforceable in accordance with their respective terms.

Notwithstanding the foregoing, with respect to adjustable rate Loans, the Seller represents and warrants that there are no claims to the Note on the part of any person or defense or any party to the Note other than those that validly could be raised against a holder-in-due-course.

**Escrow Account, No Deficiency in Escrow Deposits or Payments**

If the Loan provides for the maintenance of an escrow account for the payment of taxes and insurance: (i) the Loan is in compliance with all applicable state and federal laws concerning escrow accounts; (ii) all required escrow payments have been made by the Borrower; and (iii) the Loan records accurately reflect the amounts in the escrow account, including any interest thereon accruing to the Borrower.

With respect to escrow deposits and payments, all such payments are in the possession of, or under the control of, the Seller. There are no deficiencies in escrow deposits and payments for which repayment arrangements have not been made. No escrow deposits or payments due the Seller have been capitalized under any security instrument.

**Disbursement, No Claims or Forbearance**

Each Loan has been closed and all funds have been fully disbursed, except as permitted in the *Deutsche Bank Correspondent Lending Seller Guides*. There are no payoffs, assumptions or insurance claims pending on any Loan or the Subject Property. The Borrower has no right under the Loan documents to borrow additional funds secured by the Subject Property without the noteholder's consent. The Seller has not made arrangements with any Borrower for any payment forbearance or future refinancing with respect to any Loan.

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Representations and Warranties Regarding Loans****Non-Solicitation**

The Seller has not solicited or provided information to another party for the purpose of soliciting, and agrees not to solicit or provide information to a third party for the purpose of refinancing any Loan sold to DB Structured Products, Inc.

**Non-Standard Documents**

Under no circumstances shall DB Structured Products, Inc. be obligated to purchase any Loan that is evidenced or secured by non-standard documents. (Standard documents are those generally acceptable to Fannie Mae and Freddie Mac.) However, DB Structured Products, Inc. may elect to purchase such a Loan at its sole discretion.

**Integrity of Information**

The Seller is responsible for credit and property underwriting documentation regardless of the entity providing the information to the Seller. This includes, but is not limited to credit information, appraisals, or other documents or information used in the evaluation of the Loan.

The Seller must ensure that:

- Each Loan sold to DB Structured Products, Inc. has been prudently originated and underwritten;
- All data supplied by or about the Borrower is true, accurate and complete;
- Interested parties are sufficiently independent from the Loan transaction; and
- Sufficient organizational controls exist to ensure the independence, validity and reliability of the Loan.

The Seller is solely responsible for the implementation of prudent practices when relying on third party service providers (such as closing agents, title companies, etc.) to ensure third party service providers comply with its instructions and ensure that the integrity of the Loan transaction has been maintained.

**Servicing Documents**

The Seller represents and warrants that all required servicing documents have been completed, executed and delivered in the form and manner specified in the *Deutsche Bank Correspondent Lending Seller Guides*, and all documents, materials and other information required to be submitted to DB Structured Products, Inc. have been submitted and are complete and accurate.

The Seller's records for each Loan completely and accurately reflect the facts stated therein. There is due and owing on the Loan the amount represented by

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Representations and Warranties Regarding Loans**

Seller to be due thereon; the scheduled payment dates and final maturity date are correctly set forth on the Note and in the Loan records.

The servicing practices used in connection with the servicing of the Loans have been in all respects reasonable and customary in the mortgage servicing industry of like mortgage loan servicers, servicing similar mortgage loans originated in the same jurisdiction as the Subject Property.

**Insurance Carriers**

The Seller represents and warrants that it has taken all necessary actions to ensure all insurance carriers are notified of the change in servicing prior to the date of transfer. All insurance policies required to be endorsed are endorsed in the manner specified by DB Structured Products, Inc. These would include, but are not limited to, hazard, flood, and earthquake insurance carriers.

**Payment of Insurance and Taxes**

The Seller represents and warrants that all insurance, property tax and other payments due from escrow accounts within 60 days after the transfer date, have been paid. These would include, but are not limited to, property taxes, hazard, flood, and earthquake insurance.

**Liquidation**

The Seller represents and warrants that there are no amounts due on the Loan, including, but not limited to, unpaid installments, and there is no pending payoff or liquidation relating to any Loan being sold to DB Structured Products, Inc.

**Compliance by Others**

When any person or entity other than the Seller performs services for the Seller which the Seller is required to perform, the Seller represents and warrants that such person or entity has complied and will comply with all requirements of the *Deutsche Bank Correspondent Lending Seller Guides* and that the Seller's quality control and internal audit program includes a sample review of such services.

**OFAC**

To the extent required by applicable law the Seller has complied with all applicable anti-money laundering laws and regulations, including without limitation the USA Patriot Act of 2001 (collectively, the "Anti-Money Laundering Laws"), has established an anti-money laundering compliance program as required by the Anti-Money Laundering Laws, has conducted the requisite due diligence in connection with the origination of each Loan for purposes of the Anti-Money Laundering Laws, including with respect to the legitimacy of the applicable Borrower and the origin of the assets used by the said Borrower to

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Representations and Warranties Regarding Loans**

purchase the property in question, and maintains, and will maintain, sufficient information to identify the applicable Borrower for purposes of the Anti-Money Laundering Laws; no Loan is subject to nullification pursuant to Executive Order 13224 (the “Executive Order”) or the regulations promulgated by the Office of Foreign Assets Control of the United States Department of the Treasury (the “OFAC Regulations”) or in violation of the Executive Order or the OFAC Regulations, and no Borrower is subject to the provisions of such Executive Order or the OFAC Regulations nor listed as a “blocked person” for purposes of the OFAC Regulations.

**IRS Reporting**

The Seller represents and warrants that it will comply with and report to the IRS any points and interest paid by the Borrower and all interest paid to the Borrower by the Seller as of the Purchase Date.

**Calculated Interest**

Interest on each Loan is calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest is payable in arrears. Payments are due on the first day of every month.

**Junior Lien**

If the Loan is secured by a junior lien, nothing contained in any first priority real estate mortgage or deed of trust or any other instrument applicable to the Loan prohibits, restricts, provides for acceleration upon or otherwise penalizes the Borrower's entering into the Note or signing of any instruments with respect thereto including, without limitation, the Security Instrument. The Borrowers under the Note and the property subject to the Security Instrument are not subject to any legal action brought by the holder of any first priority real estate mortgage or deed of trust. As of the Settlement Date, Seller has no knowledge of any default which, with the passage of time or notice and right to cure could constitute an event of acceleration under any first priority mortgage or deed of trust.

**Predatory Lending**

No Loan is (a) subject to, covered by or in violation of the provisions of the Home Ownership and Equity Protection Act of 1994, as amended (“HOEPA”) or has an “annual percentage rate” or “total points and fees” payable by the borrower (as each such term is defined under HOEPA) that equal or exceed the applicable thresholds defined under HOEPA (Section 32 of Regulation Z, 12 C.F.R. Section 226.32(a)(1)(i) and (ii)), (b) a “high cost”, “covered”, “abusive”, “predatory”, “home loan”, “Oklahoma Section 10” or “high risk” mortgage loan (or a similarly designated loan using different terminology) under any federal, state or local law, including without limitation, the provisions of the Georgia Fair Lending Act (OGCA Sections 7 6A 1, et seq.), New York Banking Law, Section 6-1, the Arkansas Home Loan Protection Act, effective as of June 14,

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB**

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**Representations and Warranties Regarding Loans**

2003, Kentucky State Statute KRS 360.100, effective as of June 25, 2003, the New Jersey Home Ownership Security Act of 2002, the New Mexico Home Loan Protection Act (N.M. Stat. Ann. §§ 58-21A-1 et seq.), the Illinois High-Risk Home Loan Act (815 Ill. Comp. Stat. 137/1 et seq.), the Oklahoma Home Ownership and Equity Protection Act, Nevada Assembly Bill No. 284, effective as of Oct. 1, 2003, the Minnesota Residential Mortgage Originator and Servicer Licensing Act (MN Stat. §58.137), the South Carolina High-Cost and Consumer Home Loans Act, effective January 1, 2004, the Massachusetts Predatory Home Loan Practices Act, effective November 7, 2004 (Mass. Ann. Laws Ch. 183C) or any other statute or regulation providing assignee liability to holders of such mortgage loans, or (c) is subject to or in violation of any such or comparable federal, state or local statutes or regulations.

**Servicemembers Civil Relief Act**

The Borrower has not notified the Seller and the Seller has no knowledge of any relief requested or allowed to the Borrower under the Servicemembers Civil Relief Act.

**Lawful Occupation**

The Subject Property is lawfully occupied under applicable law; all inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the Subject Property and, with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities. No improvement located on or being part of any Subject Property is in violation of any applicable zoning law or regulation.

**No Advances**

The Seller has not advanced any monthly payment required under the terms of the Note.

**Consolidated Principal Balance**

Any principal advances made to the Borrower prior to the Purchase Date have been consolidated with the outstanding principal amount secured by the Security Instrument, and the secured principal amount, as consolidated, bears a single interest rate and single repayment term. The lien of the Security Instrument securing the consolidated principal amount is expressly insured as having (A) first lien priority with respect to each Loan which is indicated by the Seller to be a first lien, or (B) second lien priority with respect to each Loan which is indicated by the Seller to be a second lien, in either case, by a title insurance policy, an endorsement to the policy insuring the mortgagee's consolidated interest or by other title evidence acceptable pursuant to the *Deutsche Bank Correspondent Lending Seller Guides*. With respect to each Loan which is not a PayOption ARM Loan, the consolidated principal amount does not exceed the original principal amount of the Loan. With respect to each

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Representations and Warranties Regarding Loans**

PayOption ARM Loan which provides for Negative Amortization, the consolidated principal amount does not exceed the original principal amount of the Loan plus any Negative Amortization.

**Due on Sale**

Each Security Instrument contains a provision for the acceleration of the payment of the unpaid principal balance of the related Loan in the event the related Subject Property is sold without the prior consent of the mortgagee thereunder.

**Texas Refinance Loan**

Each Loan originated in the State of Texas pursuant to Article XVI, Section 50(a)(6) of the Texas Constitution (a “Texas Refinance Loan”) has been originated in compliance with the provisions of Article XVI, Section 50(a)(6) of the Texas Constitution, Texas Civil Statutes and the Texas Finance Code. With respect to each Texas Refinance Loan that is a cash out refinancing, the related Loan Documents state that the Borrower may prepay such Texas Refinance Loan in whole or in part without incurring a Prepayment Charge. The Seller does not collect any such Prepayment Charge in connection with any such Texas Refinance Loan.

**Qualified Mortgage**

Each Loan constitutes a “qualified mortgage” under Section 860G(a)(3)(A) of the Code and Treasury Regulation Section 1.860G-2(a)(1).

**Legal Capacity**

All parties to the Note had the legal capacity to execute the Note and the Security Instrument, and the Note and the Security Instrument have been duly executed by such parties.

**Prepayment Charges**

With respect to any Loan that contains a provision permitting the imposition of a Prepayment Charge upon a principal prepayment prior to maturity: (i) the Loan provides some benefit to the Borrower (e.g., a rate or fee reduction) in exchange for accepting such Prepayment Charge; (ii) the Loan’s originator had a written policy of offering the Borrower, or requiring third-party brokers to offer the Borrower, the option of obtaining a Loan that did not require payment of such a Prepayment Charge; (iii) the Prepayment Charge was adequately disclosed to the Borrower pursuant to applicable state and federal law; (iv) no Loan provides for a Prepayment Charge for a term in excess of three years from the date of the Note; and (v) such Prepayment Charge shall not be imposed in any instance where the Loan is accelerated or paid off in connection with the workout of a delinquent mortgage or due to the Borrower’s default,

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB**

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**Representations and Warranties Regarding Loans**

notwithstanding that the terms of the Loan or state or federal law might permit the imposition of such Prepayment Charge.

**No Arbitration Provision**

No Borrower has agreed to submit to arbitration to resolve any dispute arising out of or relating in any way to the mortgage loan transaction.

**Insurance**

No Borrower was required to purchase any single premium credit insurance policy (e.g., life, mortgage, disability, accident, unemployment, property or health insurance product) or debt cancellation agreement as a condition of obtaining the extension of credit. No Borrower obtained a prepaid single premium credit insurance policy (e.g., life, mortgage, disability, accident, unemployment, property or health insurance product) or debt cancellation agreement in connection with the origination of the Loan. No proceeds from any Loan were used to purchase single premium credit insurance policies (e.g., life, mortgage, disability, accident, unemployment, property or health insurance product) or debt cancellation agreements as part of the origination of, or as a condition to closing, such Loan.

**Loan Application Referral**

No Borrower was encouraged or required to select a Loan product offered by the Loan's originator which is a higher cost product designed for less creditworthy borrowers, taking into account such facts as, without limitation, the Loan's requirements and the Borrower's credit history, income, assets and liabilities. Any Borrower who sought financing through the Loan originator's higher-priced subprime lending channel, was directed towards or offered the Loan originator's standard mortgage line if the Borrower is able to qualify for one of the standard products.

**Fee Disclosures**

All points, fees and charges, including finance charges (whether or not financed, assessed, collected or to be collected), in connection with the origination and servicing of each Loan were disclosed in writing to the Borrower in accordance with applicable state and federal law and regulation.

**Points and Fees**

No Borrower was charged "points and fees" in an amount greater than (a) \$1,000 or (b) 5% of the principal amount of such Loan, whichever is greater. For purposes of this representation, "points and fees" (x) include origination, underwriting, broker and finder's fees and charges that the lender imposed as a condition of making the Loan, whether they are paid to the lender or a third party; and (y) exclude bona fide discount points, fees paid for actual services rendered in connection with the origination of the Loan (such as attorneys'

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Representations and Warranties Regarding Loans**

fees, notaries fees and fees paid for property appraisals, credit reports, surveys, title examinations and extracts, flood and tax certifications, and home inspections); the cost of mortgage insurance or credit-risk price adjustments; the costs of title, hazard, and flood insurance policies; state and local transfer taxes or fees; escrow deposits for the future payment of taxes and insurance premiums; and other miscellaneous fees and charges that, in total, do not exceed 0.25 percent of the Loan amount.

**Objective Underwriting**

The methodology used in underwriting the extension of credit for each Loan did not rely on the extent of the Borrower's equity in the collateral as the principal determining factor in approving such extension of credit. The methodology employed objective criteria that related such facts as, without limitation, the Borrower's credit history, income, assets or liabilities, to the proposed mortgage payment and, based on such methodology, the Loan's originator made a reasonable determination that at the time of origination the Borrower had the ability to make timely payments on the Loan.

**Manufactured Housing**

With respect to any Loan that is secured in whole or in part by an interest in manufactured housing, upon the origination of each such Loan such manufactured housing unit either (i) will be the principal residence of the Borrower or (ii) will be classified as real property under applicable state law.

**Primary Mortgage Insurance**

To the extent required by the related product requirements of the *Deutsche Bank Correspondent Lending Seller Guides*, a Loan will be insured by a primary mortgage guaranty insurance policy, issued by an insurer which meets the requirements of the corresponding Volume of the *Deutsche Bank Correspondent Lending Seller Guides*. Such policy is in full force and effect, and premiums due thereunder have been paid. Any such insurance policy obligates the Borrower thereunder to maintain such insurance and to pay all premiums and charges in connection therewith. With respect to each PayOption ARM Loan which allows for Negative Amortization, such insurance policy contains provisions to cover the potential Negative Amortization of such PayOption ARM Loan.

**MERS**

With respect to each MERS Loan, a MIN has been assigned by MERS and such MIN is accurately provided pursuant to the *Deutsche Bank Correspondent Lending Seller Guides*. The related assignment of Mortgage to MERS has been duly and properly recorded. With respect to each MERS Loan, the Seller has not received any notice of liens or legal actions with respect to such Loan and no such notices have been electronically posted by MERS.

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Survival of Representations and Warranties****Option ARM Amortization**

With respect to each Loan which is not a PayOption ARM Loan, the Mortgage Note does not permit Negative Amortization. With respect to each PayOption ARM Loan, the related Mortgage Note requires a Monthly Payment which is sufficient during the period following each Payment Adjustment Date, to fully amortize the outstanding principal balance as of the first day of such period (including any Negative Amortization) over the then remaining term of such Mortgage Note and to pay interest at the related Mortgage Interest Rate. Notwithstanding the foregoing, the Negative Amortization plus the outstanding principal balance shall not exceed (i) 115% on any PayOption ARM Loan other than any PayOption ARM Loan secured by Mortgaged Property located in the State of New York or (ii) 110% on any PayOption ARM Loan secured by Mortgaged Property located in the State of New York. With respect to each Loan which is a Second Lien Loan, (i) the related first lien does not provide for Negative Amortization and is not a PayOption ARM Loan, and (ii) either no consent for the Loan is required by the holder of the first lien or such consent has been obtained and is contained in the Mortgage File.

**Option ARM LTVs**

With respect to each PayOption ARM Loan secured by Mortgaged Property located in the state of New York, at origination the maximum amount of Negative Amortization in accordance with the Security Instrument when combined with the original principal balance of the PayOption ARM Loan shall not result in a Loan-to-Value Ratio in excess of 80%.

**Survival of Representations and Warranties**

The representations and warranties made by the Seller will survive:

- Any examination by or on behalf of DB Structured Products, Inc. or its assignee or designee;
- The purchase of the Loan by DB Structured Products, Inc. or its assignee or designee;
- The later assignment of the Loan and/or the servicing rights to any third party;
- Liquidation of the Loan;
- Any suspension or termination of the Seller privileges; and
- The sale, bankruptcy or insolvency of the Seller.

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## Seller Default

## Seller Default

This section describes conditions under which a Seller default occurs.

### Events of Seller Default

Any of the following events constitute an Event of Seller Default:

- The Seller has not complied with the requirements, terms or conditions set forth or incorporated by reference in the *Deutsche Bank Correspondent Lending Seller Guides* including, but not limited to, the Disqualification or Suspension Section; or
- The Seller has breached any agreement set forth or incorporated by reference in the Seller Agreement; or
- The Seller has made false or misleading representations or warranties to DB Structured Products, Inc., as described in the Representation and Warranty sections of this Chapter, or has failed to provide DB Structured Products, Inc. with information that is true, complete and accurate as to the documentation in the Loan file; or
- The Borrower(s) or any other person or entity involved in the Loan transaction or in the underwriting or documentation thereof has made any false representation and/or has failed to provide information that is true, complete and accurate, whether or not the Seller had knowledge of such misrepresentation or incorrect information.

DB Structured Products, Inc. is not required to demand repurchase within any particular period of time as a result of an Event of Seller Default.

DB Structured Products, Inc. may use any remedy in the *Deutsche Bank Correspondent Lending Seller Guides*. Its use of one or more remedies in conjunction with a single Event of Seller Default will not prohibit DB Structured Products, Inc. from exercising: a) one or more other remedies in connection with the same Event of Seller Default, and/or b) any other rights which it may have at law or in equity that it deems applicable to protect its interest.

Delay or failure by DB Structured Products, Inc. to use any of its remedies does not create a waiver of that remedy in the future as to the same or any other Seller Default.

### Incorrect Representations or Warranties by Seller

If Seller discovers, or obtains knowledge of any circumstances that would reasonably cause the Seller to believe that any of the representations or warranties are untrue, inaccurate or incomplete, the Seller is in default. The Seller will promptly give to DB Structured Products, Inc. an officer's certificate of the Seller certifying as to the circumstances believed to cause the default and

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**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB**

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**Seller Default**

summarize the action that the Seller intends to take (or has taken) to correct the default.

If any of the representations or warranties provided by the Seller (contained in the *Deutsche Bank Correspondent Lending Seller Guides*) is untrue, inaccurate or incomplete, the Seller is in default, and in addition to any other remedies available to DB Structured Products, Inc. contained in the *Deutsche Bank Correspondent Lending Seller Guides*, the Seller, at its expense, will take such action as is necessary to cure the default within the lesser of:

- 30 calendar days after the date of DB Structured Products, Inc.'s notice to the Seller;
- A shorter time period if dictated by statute or regulation; or
- A shorter time period if dictated by a separate agreement between Seller and DB Structured Products, Inc. or one of its affiliates.

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Repurchase****Repurchase**

This section describes Seller repurchase requirements.

**Repurchase Obligation**

DB Structured Products, Inc. may, in its sole discretion, determine that an Event of Seller Default or Early Delinquency Repurchase has occurred with respect to a specific Loan. If there is an Event of Default with respect to a specific Loan and such default is not cured within the required cure period, if any, the Seller agrees to repurchase the Loan within thirty (30) calendar days of DB Structured Products, Inc.'s repurchase demand.

Any delay in making such a demand shall not constitute a waiver by DB Structured Products, Inc. of any of its rights or remedies.

The Seller's failure to deliver all required Loan Documents is an Event of Seller Default and as such the Seller must immediately repurchase the Loan upon the request of DB Structured Products, Inc.

With respect to any Bulk Mortgage Loan or Loan originated on or after November 7, 2004 which is secured by a Mortgaged Property located in the State of Massachusetts that is a refinanced Loan or Bulk Mortgage Loan, (a) if the related mortgagor alleges any violation of the mortgage loan refinance requirements of the State of Massachusetts or (b) any such Loan or Bulk Mortgage Loan cannot be included in a securitization as a result of any regulatory, predatory or high costs, concerns, the Seller shall repurchase such Loan or Bulk Mortgage Loan no later than five (5) business days following DB Structured Products, Inc.'s request for repurchase in an amount equal to the Repurchase Price. DB Structured Products, Inc. and the Seller agree that there shall be no requirement that any violations alleged by a mortgagor as set forth in clause (a) above have any merit or demonstrate any validity prior to the Seller's obligation to repurchase such Loan or Bulk Mortgage Loan. The Seller shall also indemnify DB Structured Products, Inc. as required pursuant to this *Deutsche Bank Correspondent Lending Seller Guides* to the extent that any of the events set forth in clauses (a) or (b) occur.

**Early Delinquency Repurchase**

With respect to Loans purchased under Volume 2 of the Guide ("DB-ASAP Loans"), the Seller is required to repurchase, at the sole discretion of DB Structured Products, Inc. (i) any DB-ASAP Loan DB Structured Products, Inc. purchased from the Seller if any of the first two (2) payments due after the Purchase Date are sixty (60) days delinquent or (ii) any First Lien DB-ASAP Loan DB Structured Products, Inc. purchased from the Seller and its related Second Lien DB-ASAP Loan, regardless of the date or dates on which DB Structured Products, Inc. purchased such DB-ASAP Loans, if any of the first two (2) payments due after the related Purchase Date on either such First Lien DB-ASAP Loan or such related Second Lien DB-ASAP Loan are thirty (30) days delinquent, notwithstanding whether any of the first two (2) payments due

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Repurchase**

after the related Purchase Date on the other such DB-ASAP Loan have been thirty (30) days delinquent or whether the early payment default period requiring repurchase of the other such DB-ASAP Loan has expired.

With respect to Loans purchased under Volume 3 of the Guide (“DB-ALT Loans”), the Seller is required to repurchase, at the sole discretion of DB Structured Products, Inc. any DB-ALT Loan DB Structured Products, Inc. purchased from the Seller if any of the first two (2) payments due after the Purchase Date are thirty (30) days delinquent.

With respects to Loans purchased under Volume 5 of the guide (“DB-SUB Loans”), the Seller is required to repurchase, at the sole discretion of DB Structured Products, Inc., (i) any DB-SUB Loan DB Structured Products, Inc. purchased from the Seller if any of the first two (2) payments due after the Purchase Date are thirty (30) days delinquent or (ii) any First Lien DB-SUB Loan DB Structured Products, Inc. purchased from the Seller and its related Second Lien DB-SUB Loan, regardless of the date or dates on which DB Structured Products, Inc. purchased such DB-SUB Loans, if any of the first two (2) payments due after the related Purchase Date on either such First Lien DB-SUB Loan or such related Second Lien DB-SUB Loan are thirty (30) days delinquent, notwithstanding whether any of the first two (2) payments due after the related Purchase Date on the other such DB-SUB Loan have been thirty (30) days delinquent or whether the early payment default period requiring repurchase of the other such DB-SUB Loan has expired.

**Repurchase Price**

If the Seller is obligated to repurchase a Loan, the Seller must pay DB Structured Products, Inc. a repurchase price equal to the sum of:

- The unpaid principal balance at the time of repurchase;
- The greater of the purchase price or par multiplied by the unpaid principal balance at the time of repurchase;
- Accrued and unpaid interest on the above amount through the date the Loan is repurchased; and
- All out-of-pocket costs and expenses of any kind incurred by DB Structured Products, Inc. and/or the primary servicer of the Loan in connection with the Loan, including, but not limited to estimated or actual repairs, foreclosure and insurance costs and attorneys' fees.

The Seller agrees that it will pay all documentary stamp taxes, recording fees, transfer taxes and all other expenses payable in connection with the repurchase and will indemnify and hold harmless DB Structured Products, Inc. and the servicer against all losses, costs and expenses, including attorney fees, and any other amounts as set forth under the section “Indemnification”, from such required repurchases or the breach giving rise to the repurchase.

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Late Charge****Late Charge**

If the Seller fails to pay any obligation due DB Structured Products, Inc. prior to or on the due date, DB Structured Products, Inc. has the right to charge the Seller a late charge. The late charge will be calculated at 3% over Prime Rate (based on a 360 day year) on the overdue amount for the number of days the amount is past due.

**Disqualification or Suspension**

Based on grounds for disqualification or suspension, DB Structured Products, Inc. may disqualify or suspend the Seller from selling Loans to DB Structured Products, Inc., or take any other action deemed appropriate by DB Structured Products, Inc. The Seller will be ineligible to obtain new Commitments during any period of disqualification or suspension. Unsettled Commitments held by a disqualified or suspended Seller will be honored at the sole discretion of DB Structured Products, Inc. DB Structured Products, Inc. will determine the length of any suspension period and may prescribe the terms and conditions for reinstatement.

**Grounds for Disqualification and/or Suspension**

DB Structured Products, Inc. may disqualify or suspend Seller for any of the following reasons:

- Impending or actual insolvency of the Seller;
- The filing of voluntary petition by the Seller under the federal bankruptcy laws or under any state bankruptcy or insolvency laws;
- The filing of an answer by the Seller in an involuntary proceeding admitting insolvency or inability to pay debts;
- The entry of an order for relief under the federal bankruptcy laws with respect to the Seller;
- The appointment of a trustee or receiver for the Seller or its property;
- The execution by the Seller of an assignment for the benefit of creditors;
- The failure of the Seller to obtain a vacation or stay of involuntary proceedings brought for its reorganization, dissolution, or liquidation;
- Any other change in the financial or organizational status of the Seller that, in the opinion of DB Structured Products, Inc., could adversely affect DB Structured Products, Inc. or any Loans sold to DB Structured Products, Inc.;

**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB**

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**Right of Set-Off**

- The placement of the Seller on probation or restriction of its activities in any manner by a federal or state government agency, including Fannie Mae, Freddie Mac or HUD;
- The determination by DB Structured Products, Inc. that the Seller's financial obligations are disproportionate to its capital and/ or assets;
- The Seller's failure to deliver documents required by DB Structured Products, Inc.;
- Misstatement or omission of any material fact on any application, certification, or other document submitted to DB Structured Products, Inc.;
- The Seller's assignment or attempt to assign its interests, rights, or obligations under the Seller Agreement without prior written consent by DB Structured Products, Inc.;
- The occurrence of an Event of Seller Default;
- The Seller's failure to repurchase any Loan upon the written notification by DB Structured Products, Inc.;
- The Seller's inability to meet the approval standards of any insurer or other entity that provides insurance or other credit enhancements in connection with the efforts of DB Structured Products, Inc. to sell the Loans, or borrow based on the collateral value of the Loans;
- The Seller's failure to maintain a qualified Loan origination and acceptable on-going quality control program, adequate facilities and written policies and procedures to ensure the investment quality of Loans sold to DB Structured Products, Inc.; or
- The Seller's failure to remit payment of Automated Underwriting System usage within sixty (60) days of billing date.

**Right of Set-Off**

In the Event of Seller Default, DB Structured Products, Inc. is hereby authorized by the Seller, to the fullest extent of the law, without prior notice to the Seller, the right of set-off and the ability to apply any or all funds owed by DB Structured Products, Inc. to the Seller against any or all outstanding repurchase, indemnification or other obligations of any kind owed by Seller to DB Structured Products, Inc.

The Seller hereby expressly waives any right to receive prior notice from DB Structured Products, Inc. concerning the use of Right of Set-Off by DB Structured Products, Inc. The rights of DB Structured Products, Inc. under this section are in addition to any other rights and remedies that DB Structured Products, Inc. may have.

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**Chapter 1—Seller Requirements for DB-ASAP, DB-ALT & DB-SUB****Early Payoff Policy**

## **Early Payoff Policy**

For Loans without a prepayment penalty, if the Borrower fully pays off a Loan within the first 12 months following DB Structured Products, Inc.'s Purchase Date, the Seller must reimburse DB Structured Products, Inc. for any premium paid above par within thirty (30) days of such payoff. For Loans with a prepayment penalty, any premium above par in excess of the prepayment penalty must be reimbursed to DB Structured Products, Inc. within thirty (30) days of such payoff.

## **Indemnification**

The Seller shall indemnify DB Structured Products, Inc. from and hold it harmless against all losses, damages, penalties, fines, forfeitures, court costs and attorneys' fees, judgments, and any other costs, fees, and expenses resulting from any Event of Seller Default, including but not limited to any act or failure to act or any breach of any warranty, obligation or representation embodied in or made pursuant to the Seller Agreement, or from any claim, demand, defense or assertion against or involving DB Structured Products, Inc. based on or grounded upon, or resulting from such breach or a breach of any representation, warranty or obligation made by DB Structured Products, Inc. in reliance upon any warranty, obligation or representation made by the Seller embodied in or made pursuant to the Seller Agreement.

The Seller also shall indemnify DB Structured Products, Inc. and hold it harmless against all court costs, attorneys' fees and any of the costs, fees and expenses incurred by DB Structured Products, Inc. in enforcing the Seller Agreement. The obligations of the Seller under this section shall survive the Purchase Date, the termination of the Seller Agreement and the disqualification or suspension of the Seller.

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